<u>PRIVATE ATTORNEYS GENERAL ACT</u>
<u>SETTLEMENT AGREEMENT AND RELEASE</u>

This Private Attorneys General Act Settlement Agreement and Release ("Settlement Agreement" or "Settlement") is entered into by and between Edgar Herrera ("Plaintiff"), individually and as a representative of the State of California and the Aggrieved Employees (as defined in Section 3(a)(4) below) and Environmental Remedies, Inc. ("Defendant"), subject to approval by the Court. The term "Party" or "Parties" as used herein shall refer to Plaintiff, Defendant, or both, as may be appropriate.

1. **<u>Recitals.</u>** This Settlement Agreement is made with reference to the following facts:

(a) On June 25, 2024, MM Law, APC ("Plaintiff's Counsel"), submitted a letter on behalf of Plaintiff to the California Labor and Workforce Development Agency ("LWDA") and Defendant to notify the LWDA and Defendant pursuant to the Private Attorneys General Act of 2004, Labor Code section 2698, *et seq*. ("PAGA"), of Plaintiff's intent to seek civil penalties under PAGA for Defendant's alleged violations of California Labor Code sections 201, 202, 203, 204, 226, 226.2, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1197, 1198, 2802, 2804, and the applicable Industrial Welfare Commission Wage Orders, thereby initiating LWDA Case Number LWDA-CM-1036357-24 ("PAGA Letter");

(b) On September 24, 2024, Plaintiff filed a Complaint for Enforcement Action Under the Private Attorneys General Act, Cal. Labor Code §§ 2698 *Et Seq.* ("Operative Complaint"), commencing a representative action under PAGA against Defendant, entitled *Edgar Herrera v. Environmental Remedies, Inc.*, Alameda County Superior Court Case No. 24CV092901 ("Action"). The Operative Complaint asserts nine (9) causes of action against Defendant for (1) Failure to Pay All Wages Earned for All Hours Worked (Lab. Code §§ 510, 1194, 1197, and 1198); (2) Failure to Provide Rest Breaks (Lab. Code §§ 226.7 and 1198); (3) Failure to Provide Meal Periods (Lab. Code §§ 226.7, 512, and 1198); (4) Failure to Indemnify (Lab. Code § 2802); (5) Failure to Provide Accurate Itemized Wage Statements (Lab. Code § 226); (6) Failure to Pay Wages When Employment Ends (Lab. Code §§ 201-203); (7) Failure to Pay Wages Owed Every Pay Period (Lab. Code § 204); (8) Civil Penalties (Lab. Code §§ 2698, et seq.); and (9) Unfair Competition (Bus. & Prof. Code, § 17200 et seq.);

(c) On June 5, 2025, the Parties mediated Plaintiff's individual claims and the PAGA Action with David Sarnoff, Esq., and reached an agreement to settle and resolve Plaintiff's individual claims along with the PAGA Action;

(d) Prior to mediation, Plaintiff obtained, through informal discovery, the following documents: time and pay data for Plaintiff, time and pay data for a sample of Aggrieved Employees (as defined in Section 3(a)(4) below), the number of Aggrieved Employees, the total number of pay periods worked by Aggrieved Employees, the number of meal premium payments to Aggrieved Employees, and the number of Aggrieved Employees who stopped working for Environmental Remedies at any time during the PAGA Period (as defined in Section 3(a)(4) below);

(e) There has been no determination on the merits of the Action or the PAGA Letter but, in order to avoid additional cost and the uncertainty of litigation, the Parties desire to resolve the Action and Released PAGA Claims (as defined in Section 6 below);

(f) The Parties, Plaintiff's Counsel, and Defendant's Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

2. **No Admission of Wrongdoing.** The Parties agree that neither this Settlement Agreement nor the furnishing of the consideration for this Settlement Agreement shall be deemed or construed at any time for any purpose as an admission by the Released Parties of wrongdoing or evidence of any liability or unlawful conduct of any kind.

3. **Consideration.**

(a) Defendant shall pay the maximum gross sum of One Hundred Forty Thousand Two Hundred Fifty Dollars and Zero Cents ($140,250.00) (the "Gross Settlement Amount") to resolve the Action and Released PAGA Claims (as defined in Section 6 below). The Settlement Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant. The Settlement Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Order and Judgment:

(1) Attorneys' fees in the amount of one third (33 1/3%) of the Gross Settlement Amount (i.e., $46,750.00 based on the Gross Settlement Amount is $140,250.00), and reimbursement of litigation costs and expenses in the amount of up to Ten Thousand Dollars and Zero Cents ($10,000.00) (collectively, "Attorneys' Fees and Costs") to Plaintiff's Counsel, which Defendant will not contest, provided that they do not exceed these amounts. Plaintiff and/or Plaintiff's Counsel will file an application or motion for Attorneys' Fees and Costs. If the Court approves Attorney's Fees and Costs less than the amounts requested, the Settlement Administrator will allocate the remainder to the Net Settlement Amount (as defined in Section 3(a)(3) below). Released Parties shall have no liability to Plaintiff's Counsel or any other Plaintiff's Counsel arising from any claim to any portion of any payment for Plaintiff's Attorney's Fees and Costs. The Settlement Administrator will pay the Attorney's Fees and Costs using one or more IRS 1099 Forms. Plaintiff's Counsel assumes full responsibility and liability for taxes owed on the Attorney's Fees and Costs and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these payments.

(2) Costs and expenses of administration of the Settlement up to the amount of Five Thousand Dollars and Zero Cents ($5,000.00) ("Settlement Administration Costs") to Simpluris ("Settlement Administrator"). To the extent the Settlement Administration Costs are less or the Court approves payment less than ($5,000.00), the Settlement Administrator will apply the remainder to the Net Settlement Amount (as defined in Section 3(a)(3) below).

(3) The amounts stated in Sections 3(a)(1) – 3(a)(2) above, once approved by the Court, shall be paid from the Gross Settlement Amount. The balance remaining after these deductions is referred to as the "Net Settlement Amount."

(4) Sixty-five percent (65%) of the Net Settlement Amount will be distributed to the LWDA ("LWDA Payment"); and the remaining thirty-five percent (35%) will be distributed to all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the PAGA Period ("Aggrieved Employees"). The period June 25, 2023 through the date the Court enters the order granting approval of the Settlement or sixty (60) calendar days after the date of mediation, whichever is earlier, is the "PAGA Period." The thirty-five percent (35%) portion of the Net Settlement Amount payable to the Aggrieved Employees is referred to as the "Employees' Portion."

(5) Defendant has represented that the Aggrieved Employees worked approximately 4,125 pay periods during the period June 25, 2023 to March 30, 2025. If it is determined by the Settlement Administrator that the total number of Pay Periods (as defined in Section 5(b) below) worked by the Aggrieved Employees during the PAGA Period actually exceeds 4,125 by more than ten percent (10%) (i.e., if the Pay Periods exceed 4,537), then the Gross Settlement Amount will be increased on a *pro rata* basis equal to the percentage increase in the number of Pay Periods worked by the Aggrieved Employees above ten percent (10%) (i.e., if the number of Pay Periods increases by 11%, then the Gross Settlement Amount will increase by 1%). If this escalator clause provision is triggered, the Parties agree that the portion of the Gross Settlement Amount allocated to attorneys' fees will increase proportionally such that the total amount of attorneys' fees remains one-third of the Gross Settlement Amount after the upward adjustment required by the escalator provision is implemented. If the Court approves an LWDA Payment and the Employees' Portion of less than the amounts requested, the Settlement Administrator will allocate the remainder to the Net Settlement Amount.

(b) Because this is a settlement of PAGA claims for civil penalties only, no portion of the Settlement is allocated to unpaid wages. One hundred percent (100%) of the payments for Attorneys' Fees and Costs and the Net Settlement Amount to be paid to the LWDA and Aggrieved Employees as described in Section 3(a) above will be treated and reported for tax purposes as non-wage payments and the Settlement Administrator will be responsible for issuing IRS Forms 1099, as required.

4. **<u>Approval and Implementation of the PAGA Settlement.</u>**

(a) The Parties are aware that some courts have approved a PAGA settlement and entered an order approving the settlement and judgment and thereafter closed the case, while others have approved a PAGA settlement and entered only an order approving the settlement with later instructions to file a request for dismissal of the action. The Parties agree to cooperate and take any and all steps required by the Court in the Action to implement the settlement and terminate the Action pursuant to settlement (i.e., to terminate the Action by way of judgment or dismissal).

(b) The Parties further agree to cooperate in the drafting and/or filing of any further documents and/or filings reasonably necessary to be prepared and/or filed, and to take all steps that may be requested by the Court in order to obtain approval and implementation of this

Settlement Agreement, and the payments described in Section 3(a) above. Plaintiff's Counsel and Defendant's Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than sixty (60) calendar days after the full execution of this Settlement Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. Plaintiff's Counsel is responsible for delivering the Court's Order and Judgment of the Settlement to the Settlement Administrator.

(c) The Parties shall seek to obtain Court approval of this Settlement Agreement by way of an unopposed motion to be filed by Plaintiff's Counsel. Plaintiff's Counsel shall provide a draft of all documents to be submitted in connection with the motion to approve this Settlement Agreement to Defendant's counsel of record ("Defendant's Counsel") for review, including: (i) a draft proposed Order and Judgment Granting Approval of PAGA Settlement ("Order and Judgment"); (ii) a signed declaration from the Settlement Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, Plaintiff's Counsel, or Defendant's Counsel; (iii) a signed declaration from Plaintiff's Counsel's firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Settlement Agreement (Labor Code section 2699, subd. (l)(2)); and (iv) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Settlement Administrator. In their declarations, Plaintiff and Plaintiff's Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement. Defendant's Counsel will be given an opportunity to comment on the papers prior to their being filed with the Court, and such comments will be implemented to the extent reasonable.

(d) If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, Plaintiff's Counsel and Defendant's Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Settlement Agreement, Plaintiff's Counsel and Defendant's Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Settlement Agreement and otherwise satisfy the Court's concerns.

(e) The Parties expressly acknowledge that the Court's approval of the Settlement Agreement is a condition precedent to any payments described in this Settlement Agreement. Therefore, the Parties further acknowledge that, should the Court not grant approval of this Settlement Agreement and/or should the Court refuse to grant judgment or dismissal of the Action and close the Action based on the Settlement, the entirety of this Settlement Agreement shall be null and void.

5. **<u>Payment of the Gross Settlement Amount / Notice to Recipients.</u>**

(a) Subject to Court approval of this Settlement Agreement, payment of the sums described in Section 3(a) above shall be made by Defendant by transmitting the Gross Settlement Amount to a qualified settlement account established by the Settlement Administrator for administration of this Settlement, within twenty-one (21) calendar days of the Court's order granting approval of this Settlement Agreement. If the date by which payment by Defendant is due falls on a Saturday, Sunday, or legal holiday in the State of California, then the due date shall be extended to the next following day which is not a Saturday, Sunday, or legal holiday in the State of California.

(b) Each Aggrieved Employee will be entitled to a *pro rata* share of 35% of the Net Settlement Agreement (i.e., the Employees' Portion) based upon the number of pay periods they each worked during the PAGA Period ("Pay Periods"), based on Defendant's payroll records. Specifically, to calculate each Aggrieved Employee's share of the Employees' Portion ("Individual PAGA Payment"), the Settlement Administrator shall: (i) for each Aggrieved Employee, divide the number of Pay Periods the Aggrieved Employee worked by the total aggregate number of Pay Periods worked by all Aggrieved Employees, and then (ii) multiply this amount by the Employees' Portion to arrive at each Aggrieved Employee's Individual PAGA Payment.

(1) One hundred percent (100%) of all Individual PAGA Payments are to be considered penalties and the Settlement Administrator will not undertake any deductions, withholding, or remittances for local, state, or federal taxes. Aggrieved Employees' Individual PAGA Payments will be reported on an IRS Form 1099, as required.

(c) The Settlement Administrator shall distribute each Individual PAGA Payment by way of check, along with a cover letter ("Cover Letter") agreed to by the Parties and approved by the Court, in substantially the form attached hereto as "**<u>Exhibit A</u>**," in the following manner:

(1) No later than seven (7) calendar days after the Court's order granting approval of the Settlement, Defendant shall provide the Settlement Administrator with a list of all Aggrieved Employees (the "Aggrieved Employees List"), containing the following information for each Aggrieved Employee: (i) first and last name; (ii) last known address; (iii) last known telephone number; (iv) Social Security number; and (v) dates worked during the PAGA Period. To protect Aggrieved Employees' privacy rights, the Settlement Administrator must maintain the Aggrieved Employees List in confidence, use the Aggrieved Employees List only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employees List to Settlement Administrator employees who need access to the Aggrieved Employees List to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Plaintiff's Counsel if it discovers that the Aggrieved Employees List omitted employee identifying information and to provide corrected or updated Aggrieved Employees List as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employees List to the Settlement Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employees List.

(2) The Settlement Administrator shall conduct one (1) National Change of Address ("NCOA") search for all individuals identified on the Aggrieved Employees List.

(3) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and Gross Settlement Amount, the Settlement Administrator shall mail the agreed-upon Cover Letter and Individual PAGA Payment checks (together, the "PAGA Settlement Package") to all Aggrieved Employees by First-Class United States mail. For each PAGA Settlement Package that is returned undeliverable within thirty (30) calendar days of the initial mailing, the Settlement Administrator shall promptly attempt to locate an alternative, updated address for the Aggrieved Employee at issue, by using a skip-trace search and shall attempt one (1) re-mailing of the PAGA Settlement Package.

(4) The Individual PAGA Payment checks issued to Aggrieved Employees shall remain valid for one hundred eighty (180) calendar days, and thereafter, shall be canceled. Funds associated with such canceled checks shall be transmitted to the State Controller's Office Unclaimed Property Division in the name of the Aggrieved Employee(s) at issue and in the amount of their respective Individual PAGA Payment(s). The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Settlement Agreement.

(5) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and Gross Settlement Amount, the Settlement Administrator shall transmit the LWDA Payment to the LWDA.

(6) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and Gross Settlement Amount, the Settlement Administrator shall transmit the Attorneys' Fees and Costs to Plaintiff's Counsel.

(7) No later than seven (7) calendar days after the Settlement Administrator receives the Aggrieved Employees List and Gross Settlement Amount, the Settlement Administrator shall transmit the Settlement Administration Costs to itself.

6. **Release of Claims by Plaintiff and the Aggrieved Employees.** Upon the date of the Court's order granting approval of the Settlement Agreement and full funding of the Gross Settlement Amount, Plaintiff and the Aggrieved Employees, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged Defendant and its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates (collectively, the "Released Parties") from any and all claims arising from any of the factual allegations in the PAGA Letter and only to the extent that they are alleged in the Operative Complaint, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code sections 2698 *et seq*., which specifically includes claims for Defendant's alleged failure to pay overtime and minimum wages, to pay all wages earned for all hours worked, provide compliant meal and rest periods, provide complaint wage statements, timely pay wages upon termination, and reimburse necessary business-related expenses in violation of California Labor Code §§ 201, 202, 203, 204, 226, 226.2,

226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1197, 1198, 2802, 2804, and the applicable Industrial Welfare Commission Wage Orders (collectively, "Released PAGA Claims").

7. **Release by Plaintiff's Counsel.** Plaintiff's Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for Attorney's Fees and Costs incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Letter.

8. **Settlement Administration.** The Parties have jointly selected Simpluris to serve as the Settlement Administrator and verified that, as a condition of appointment, Simpluris agrees to be bound by this Settlement Agreement and to perform, as a fiduciary, all duties specified in this Settlement Agreement in exchange for payment of the Settlement Administration Costs. The Parties and their counsel represent that they have no interest or relationship, financial or otherwise, with the Settlement Administrator other than a professional relationship arising out of prior experiences administering settlements.

(a) The Settlement Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

(b) The Settlement Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

(c) The Settlement Administrator has a duty to perform or observe all tasks to be performed or observed by the Settlement Administrator contained in this Settlement Agreement or otherwise.

9. **Governing Law and Interpretation.**

(a) This Settlement Agreement shall be governed and conformed in accordance with the laws of the State of California. Should any non-material provision of this Settlement Agreement be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, such provision immediately shall become null and void, leaving the remainder of this Settlement Agreement in full force and effect.

(b) In the event of a breach of any provision of this Settlement Agreement, any Party reserves the right to institute an action specifically to enforce any term or terms of this Settlement Agreement or seek damages for breach. In an action to enforce any term or terms of this Settlement Agreement or to seek damages for breach of this Settlement Agreement, the prevailing Party in that action shall be entitled to recover reasonable attorneys' fees and costs from the non-prevailing Party.

10. **Amendment.** This Settlement Agreement may not be modified, altered, or changed except in writing and signed by both Parties' counsel, subject to approval by the Court.

11. **Continuing Jurisdiction of the Court (CCP § 664.6).** The Parties agree that, after entry of Order and Judgment, the Court will retain jurisdiction over the Parties, Action, and the

Settlement solely for purposes of (i) enforcing this Settlement Agreement and/or Order and Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

(a) Provided the Order and Judgment is consistent with the terms and conditions of this Settlement Agreement, specifically including the Attorney's Fees and Costs, the Parties and their respective counsel waive all rights to appeal from the Order and Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs, or appeals. If another party appeals the Order and Judgment, the Parties' obligations to perform under this Settlement Agreement will be suspended until such time as the appeal is finally resolved and the Order and Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

(b) **<u>Miscellaneous</u>.**

(a) The Parties agree to stay all proceedings in the Action, including with respect to California Code of Civil Procedure section 583.310, except such proceedings necessary to implement and complete the Settlement, pending approval of the Settlement.

(b) This Settlement Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which, taken together shall constitute the same instrument. A signature made on a faxed or electronically transmitted copy of the Settlement Agreement or a signature transmitted by facsimile or electronic mail shall have the same effect as the original signature.

(c) The section headings used in this Settlement Agreement are intended solely for convenience of reference and shall not in any manner amplify, limit, modify, or otherwise be used in the interpretation of any of the provisions hereof.

(d) This Settlement Agreement was the result of negotiations between the Parties and their respective counsel under the auspices of mediator David Sarnoff, Esq. In the event of vagueness, ambiguity, or uncertainty, this Settlement Agreement shall not be construed against the Party preparing it but shall be construed as if both Parties prepared it jointly, and the Parties may present their disputes to the mediator to resolve any vagueness, ambiguity, or uncertainty.

(e) If Plaintiff or Defendant fail to enforce this Settlement Agreement or to insist on performance of any term, that failure does not mean a waiver of that term or of the Settlement Agreement. This Settlement Agreement remains in full force and effect anyway.

HAVING ELECTED TO EXECUTE THIS SETTLEMENT AGREEMENT, TO FULFILL THE PROMISES, AND TO RECEIVE THE CONSIDERATION SET FORTH ABOVE, PLAINTIFF AND DEFENDANT, FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS SETTLEMENT AGREEMENT.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Settlement Agreement as of the date set forth below:

PLAINTIFF EDGAR HERRERA

Dated: 06/18/2025

Edgar E Herrera
Edgar E Herrera (Jun 18, 2025 16:27 PDT)
Edgar Herrera

DEFENDANT ENVIRONMENTAL REMEDIES, INC.

Dated: 6/17/2025

Full Name: Scott Tamayo

Title: CEO
On behalf of Environmental Remedies, Inc.

APPROVED AS TO FORM ONLY:

MM LAW, APC

Dated: 06/18/2025

Maralle Messrelian
Maralle Messrelian
Attorneys for Plaintiff Edgar Herrera

GREENBERG GLUSKER FIELDS CLAMAN & MACHTINGER LLP

Dated: 06/18/2025

Olivia Diab
Karina B. Sterman
Olivia Diab
Attorneys for Defendant Environmental Remedies, Inc.

24071-00003/5557013.4

Exhibit A

To: <<First Name>><<Last Name>>
<<Street Address>>
<<City>><<State>><<Zip>>

Re: Settlement Payment from *Edgar Herrera v. Environmental Remedies, Inc.,*
Alameda County Superior Court Case No. 24CV092901

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of **<<amount of payment>>** ("Individual PAGA Payment"). This check is your payment from the settlement in the lawsuit entitled *Edgar Herrera v. Environmental Remedies, Inc.,* Alameda County Superior Court Case No. 24CV092901 ("Action").

The lawsuit was filed on September 24, 2024 by Edgar Herrera ("Plaintiff") against his former employer Environmental Remedies, Inc. ("Defendant"), on behalf of the State of California, with respect to himself and other alleged aggrieved employees, to seek recovery of civil penalties pursuant to the Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* ("PAGA"), for multiple alleged violations of the California Labor Code and Industrial Welfare Commission Wage Orders, including, *inter alia*, for failure to properly pay minimum and overtime wages, failure to provide compliant meal and rest periods and associated premiums, failure to pay wages during employment and upon termination, failure to provide compliant wage statements, failure to keep requisite payroll records, and failure to reimburse business expenses. Prior to initiating the lawsuit, on June 25, 2024, Plaintiff submitted a letter to the California Labor and Workforce Development Agency ("LWDA"), pursuant to PAGA, to provide notice of his intent to seek civil penalties under PAGA for Defendant's alleged violations of California Labor Code sections 201, 202, 203, 204, 226, 226.2, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1197, 1198, 2802, 2804, and the applicable Industrial Welfare Commission Wage Orders, thereby initiating LWDA Case Number LWDA-CM-1036357-24 ("PAGA Letter").

Defendant denies all of Plaintiff's allegations and denies any wrongdoing of any kind associated with Plaintiff's allegations. A settlement was reached between Plaintiff and Defendant.

On <<Date>>, the settlement was approved by the Court, with a portion to be paid to the LWDA and a portion to be paid to all current and former hourly-paid and/or non-exempt employees who worked for Defendant in the State of California at any time during the PAGA Period ("Aggrieved Employees"). The period June 25, 2023 through the [date the Court enters the order granting approval of the Settlement or sixty (60) calendar days after the date of mediation, whichever is earlier] is the "PAGA Period."

You are receiving a portion of the settlement (the enclosed Individual PAGA Payment) because you have been identified as an Aggrieved Employee. Your Individual PAGA Payment is based on the total number of pay periods that you worked for Defendant in California during the PAGA Period, excluding leaves of absence/vacation. The Individual PAGA Payment is considered to be 100% penalties, which will be reported on an IRS Form 1099 (if applicable). You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

Under the settlement, as of <<date of Court's order granting approval of the Settlement Agreement and full funding of the Gross Settlement Amount>>, the Released Parties were fully, finally, and forever released, settled, compromised, relinquished, and discharged from the Released PAGA Claims.

> "Released Parties" means discharged Defendant and its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

"Released PAGA Claims" means any and all claims arising from any of the factual allegations in the PAGA Letter and only to the extent that they are alleged in the Operative Complaint, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code sections 2698 *et seq*., which specifically includes claims for Defendant's alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide complaint wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of California Labor Code §§ 201, 202, 203, 204, 226, 226.2, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1197, 1198, 2802, 2804, and the applicable Industrial Welfare Commission Wage Orders.

The enclosed check is valid for 180 calendar days from the original date of issuance and mailing, and if it is not cashed, deposited, or otherwise negotiated within the 180-day timeframe, it will be canceled, and the funds associated with the canceled check will be transmitted to the State Controller's Office Unclaimed Property Division in your name and in the amount of your Individual PAGA Payment.

Do not call or write the Court, Office of the Clerk of the Court, Defendant, or Defendant's counsel to ask questions about the settlement or to ask tax-related questions. If you have any such questions, you may contact [Settlement Administrator] at [toll-free phone number].